ATTACHMENT E

HOUSING AND REDEVELOPMENT AUTHORITY (HRA)
OF THE CITY OF SAINT PAUL
TAX INCREMENT FINANCING GUIDELINES

Tax Increment Financing Guidelines

The Saint Paul HRA will consider the use of tax increment financing as a means to achieve certain Citywide goals. These goals include:

1.   Enhancing private sector employment growth and job retention of living wage job opportunities,

2.   Increasing the city's tax base,

3.   Upgrading obsolescent facilities,

4.   Pollution remediation,

5.   Expansion of life cycle and affordable housing choices,

6.   Eliminating blighting influences throughout the city, and

7.   Encouraging redevelopment activities that enhance the urban features and amenities and historic structures.

The City will consider the following criteria when reviewing TIF applications:

1.   The project shall meet the legislative criteria and intent for the use of tax increment financing.

2.   The City will provide public financial assistance through the use of TIF only:

   a.   When a clear public purpose is served;

   b.   To the degree necessary to accomplish the desired goal;

   c.   Upon completion of an in depth analysis to ensure that the proposed project satisfies the 'but for" test required for all tax increment financing; and

   d.   In cases where the economic feasibility of the project can be demonstrated and where there are no other appropriate funding sources.

3. **It is the HRA's objective that projects receiving TIF will receive no more than 50% of the tax increment generated.**

4. The City will seek repayment of the public investment to the maximum extent feasible.

5. With project financing using TIF the City shall also consider the following:

    a.   Alternative equity sources;

    b.   The barriers to private sector involvement which make it necessary for the use of TIF; and

    c.   The project's financial guarantees/credit enhancements which protect the City's investment.

6. Tax Increment will be structured based on further discussion and negotiations with City staff.